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SUBSIDIARY BODY FOR IMPLEMENTATION
First session
Geneva, 31 August 1995

REPORT OF THE SUBSIDIARY BODY FOR IMPLEMENTATION ON THE WORK OF ITS FIRST SESSION HELD AT GENEVA ON 31 AUGUST 1995

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I. OPENING OF THE SESSION

1. The first session of the Subsidiary Body for Implementation (hereinafter referred to as "the SBI") was held at Geneva on 31 August 1995. The session was convened in accordance with paragraph 8 of decision 6/CP.1 (FCCC/CP/1997/Add.1). However, the schedule of meetings for the SBI as given in annex III to that decision was changed following a meeting of the Bureau of the Conference of the Parties (COP) in Bonn on 19 June 1995. Accordingly, the session scheduled for October 1995 was brought forward to August 1995.

2. The Chairman of the SBI, Mr. Mohamed M. El Ould Ghaouth, opened the session at the 1st meeting, on 31 August 1995. He welcomed the delegates and proposed that the SBI should expedite the consideration of the various agenda items to enable the Subsidiary Body for Scientific and Technological Advice (hereinafter referred to as "the SBSTA") to use the remaining time to consolidate its agenda. There were no objections to this proposal.

3. The Executive Secretary welcomed all participants to the session. He noted that, while the session was of an organizational nature, future sessions would deal with important substantive issues, the review of the implementation of the Convention being the main task, and continuing guidance to the financial mechanism another. Adequate time and thorough preparation would be needed to undertake these tasks.

II. ORGANIZATIONAL MATTERS
(Agenda item 1)

A. Adoption of the agenda
(Agenda item 1 (a))

4. At its 1st meeting, on 31 August, the SBI adopted the following agenda:

1. Organizational matters:

   (a) Adoption of the agenda;
   (b) Organization of work of the session.

2. Elaboration and scheduling of the programme of work, 1996-1997.

3. Other matters arising from decisions of the Conference of the Parties:

   (a) Communications from Annex I Parties: progress report on in-depth reviews;

   (b) Matters relating to the financial mechanism;

(c) Institutional and budgetary matters.

4. Report on the session.

B. Organization of work of the session (Agenda item 1 (b))

5. At its 1st meeting on 31 August, the SBI approved the organization of its work presented by the Chairman. It was agreed that the SBI would try to complete its work by the end of the first day and yield the remaining time to the SBSTA. The Chairman also referred to the documentation, as mentioned in document FCCC/SBI/1995/1, paragraphs 4, 5 and 6.

C. Attendance

6. The first session of the SBI was attended by representatives of the following 83 Parties to the United Nations Framework Convention on Climate Change:

Algeria
Antigua and Barbuda
Argentina
Australia
Austria
Bangladesh
Benin
Bolivia
Brazil
Bulgaria
Burkina Faso
Canada
Central African Republic
Chad
China
Colombia
Comoros
Cuba
Democratic People's Republic of Korea
Denmark
Dominica
Ecuador
Ethiopia
European Community
Fiji
Finland
France
Gambia
Georgia
Germany
Greece
Guinea
Hungary
India
Indonesia
Ireland
Italy
Jamaica
Japan
Kenya
Kuwait
Lao People's Democratic Republic
Lebanon
Lesotho
Malaysia
Maldives
Mali
Malta
Mauritania
Mauritius
Mexico
Micronesia (Federated States of)
Myanmar
Nepal
Netherlands
New Zealand
Nigeria
Norway
Pakistan
Panama
Peru
Philippines
Poland
Portugal
Republic of Korea
Russian Federation
Saudi Arabia
Slovak Republic
Spain
Sudan
Sweden
Switzerland
Thailand
Togo
Trinidad and Tobago
Uganda

United Kingdom of Great Britain and Northern Ireland	United States of America	Viet Nam
	Uruguay	Zambia
	Uzbekistan	Zimbabwe

7. The session was also attended by observers from the following States not parties to the Convention:

Angola	Honduras	Niger
Belgium	Iran (Islamic Republic of)	Sierra Leone
El Salvador	Madagascar	South Africa
Gabon	Morocco	United Republic of Tanzania

8. The following United Nations offices and programmes were represented:

United Nations Department for Policy Coordination and Sustainable Development (DPCSD)
United Nations Environment Programme (UNEP)
United Nations Centre for Human Settlements (HABITAT)

9. The following specialized agencies of the United Nations and related organizations were represented:

International Atomic Energy Agency (IAEA)
International Civil Aviation Organization (ICAO)
United Nations Educational, Scientific and Cultural Organization, Intergovernmental Oceanographic Commission (UNESCO/IOC)
WMO/UNEP Intergovernmental Panel on Climate Change (IPCC)
World Health Organization (WHO)
World Meteorological Organization (WMO)
World Trade Organization (WTO)

10. The following intergovernmental and non-governmental organizations were represented:

Intergovernmental organizations:

International Energy Agency (IEA)
Organisation for Economic Co-operation and Development (OECD)

Non-governmental organizations:

Alliance for Responsible Atmospheric Policy / Arlington, USA
Association Française du Froid/Alliance Froid Climatisation Environnement / Paris, France

British Fire Protection Systems Association Limited / Kingston-upon-thames, UK
Centre for Business and the Environment / London, UK
Climate Action Network UK / London, UK
Climate Network Europe / Brussels, Belgium
Earth Council / San José, Costa Rica
Edison Electric Institute / Washington, USA
Environmental Defense Fund / Washington, USA
Foundation for International Environmental Law and Development / London, UK
Global Climate Coalition / Washington, USA
Global Industrial and Social Progress Research Institute / Tokyo, Japan
Greenpeace International / Amsterdam, Netherlands
Industrial Technology Research Institute / Hsinchu, Taiwan, Province of China
Institut de recherche sur l'environnement / La Roche sur Foron, France
International Academy of the Environment / Conches, Switzerland
International Chamber of Commerce / Paris, France
International Climate Change Partnership / Arlington, USA
International Council of Environmental Law / Bonn, Germany
International Council of Women / Paris, France
International Gas Union / Groningen, Netherlands
International Institute of Refrigeration
International Organization of Motor Vehicle Manufacturers / Paris, France
International Petroleum Industry Environmental Conservation Association / London, UK
International Society on Optics Within Life Sciences / Münster, Germany
National Coal Association / Washington, USA
Natural Resources Defense Council / Washington, USA
New Energy and Industrial Technology Development Organization / Tokyo, Japan
ProClim - Swiss Forum for Climate and Global Change / Bern, Switzerland
RainForest ReGeneration Institute / Washington, USA
Stockholm Environment Institute / Stockholm, Sweden
Tata Energy Research Institute / New Delhi, India
The Climate Council / Washington, USA
The Woods Hole Research Center / Woods Hole, USA
Verification Technology Information Centre / London, UK
World Coal Institute / London, UK
Wuppertal Institute for Climate, Environment and Energy / Wuppertal, Germany
WWF-International / Gland, Switzerland

D. Documentation

11. The following documents were before the SBI at its first session:

FCCC/SBI/1995/1	Provisional agenda and annotations
FCCC/SBI/1995/2	Proposed programme of work
FCCC/SBI/1995/3	Draft Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility
FCCC/SBI/1995/3/Add.1	Information on relevant action by the Council of the Global Environment Facility
FCCC/SBI/1995/4	Extrabudgetary funding for the interim secretariat in 1995
FCCC/SBI/1995/L.1	Draft decision on agenda item 3 (b) submitted by the Chairman: arrangements between the Conference of the Parties and the operating entity or entities of the financial mechanism
FCCC/SBI/1995/L.2	Draft decision on agenda item 2 submitted by the Chairman: programme of work

12. The following documents were also available:

FCCC/CP/1995/7 and Add.1	Report of the Conference of the Parties on its first session, held at Berlin from 28 March to 7 April 1995
FCCC/SB/1995/INF.1	Division of labour between the subsidiary bodies established by the Convention
FCCC/SB/1995/MISC.1	First communications from Parties not included in Annex I to the Convention

III. ELABORATION AND SCHEDULING OF THE PROGRAMME OF WORK, 1996-1997 (Agenda item 2)

1. Proceedings

13. The SBI, at its 2nd meeting on 31 August, held a discussion on this item. Documents FCCC/SBI/1995/2 and FCCC/SB/1995/INF.1, prepared by the secretariat, were taken as the basis for consideration of the subject.

14. Statements under this item were made by the representatives of 9 Parties, including one speaking on behalf of the Group of 77 and China and another on behalf of the European Community and its member States. The representative of the Climate Action Network UK made a statement on behalf of environmental non-governmental organizations.

2. Conclusions

15. Having discussed the text presented by the Chairman (FCCC/SBI/1995/L.2), the SBI, at its second meeting on 31 August, adopted a decision, the text of which is contained in annex I to this report.

16. The SBI endorsed the division of labour with the SBSTA as suggested by the secretariat in its document FCCC/SB/1995/INF.1.

17. The SBI decided that, in order to avoid duplication of efforts, cooperation between the subsidiary bodies of the Convention and the Intergovernmental Panel on Climate Change (IPCC) should be addressed by the SBSTA and without prejudice to paragrah 6 of decision 6/CP.1.

IV. OTHER MATTERS ARISING FROM DECISIONS OF THE CONFERENCE OF THE PARTIES (Agenda item 3)

A. Communications from Annex I Parties: progress report on in-depth reviews

1. Proceedings

18. At its 1st meeting on 31 August, the SBI considered the progress report on the in-depth reviews of national communications from Parties included in Annex I to the Convention in the context of sub-item 3 (a). Document FCCC/SB/1995/1, prepared by the secretariat, was taken as a basis for consideration of the subject.

19. Statements were made under this sub-item by 16 Parties, including one speaking on behalf of the Group of 77 and China and another on behalf of the European Community and its member States.

2. Conclusions

20. At the same meeting, the SBI, in the light of its deliberations, agreed upon the following conclusion regarding sub-item 3 (a).

21. The SBI took note of the progress report on the in-depth reviews contained in document FCCC/SB/1995/1 and requested the secretariat to provide to the SBI at subsequent sessions review reports as they became available.

B. Matters relating to the financial mechanism

1. Proceedings

22. The SBI considered this sub-item at its 2nd meeting on 31 August. The SBI had before it document FCCC/SBI/1995/3 on the Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility (GEF) and document FCCC/SBI/1995/3/Add.1 on information on relevant action by the GEF Council, both prepared by the secretariat.

23. Statements under this item were made by the representatives of 9 Parties, including one speaking on behalf of the Group of 77 and China and another on behalf of the European Community and its member States. The observer of the Global Environment Facility responded to questions concerning the activities of the GEF.

2. Conclusions

24. In the light of its deliberations, the SBI, at its 2nd meeting on 31 August, adopted a decision and recommendation to the COP, the text of which is contained in annex II to this report.

C. Institutional and budgetary matters

1. Proceedings

25. The SBI considered this sub-item at its 1st meeting on 31 August. The SBI had before it a note on extrabudgetary funding for the secretariat in 1995 (FCCC/SBI/1995/4) that was introduced by the Executive Secretary.

26. Statements were made by representatives of 11 Parties, including one speaking on behalf of the European Community and its member States. The representative of Uruguay informed the SBI that his Government was prepared to support activities in the South American region aimed at implementing the Convention.

27. The Executive Secretary noted that, in view of the limited funds available, the secretariat had only been able to support the participation of Parties that were least developed countries or eligible small island States. He called for additional contributions to enable the secretariat to offer funding to one delegate from each eligible Party. Several delegations expressed concern on this account.

28. The delegation of Germany informed the SBI of the increased contribution of its Government to support the participation of developing countries. The Executive Secretary expressed appreciation for the offer.

2. Conclusions

29. In the light of its deliberations, the SBI, at its 1st meeting on 31 August,

(a) Took note of the extrabudgetary funding requirements for the remainder of 1995 for the special voluntary fund for participation and the trust fund for the negotiating process (FCCC/SBI/1995/4) and invited Parties and the secretariat to renew their efforts to mobilize the funding required;

(b) Invited all Parties to the Convention to pay promptly and in full their contributions to the core administrative budget due on 1 January 1996 and to other voluntary funding needs for that year, taking advantage of any opportunity to make such contributions before the due date;

(c) Took note of the important institutional and budgetary matters to be considered by the General Assembly at its fiftieth session in response to the decisions of the Conference of the Parties at its first session (COP 1), and invited Parties to contribute to a satisfactory outcome of the Assembly's consideration of these matters;

(d) Recommended in this context, and taking account of the workload arising from the decisions of the COP that, in addition to the ten weeks of meeting time during the 1996-1997 biennium envisaged in decisions 5/CP.1 and 17/CP.1, two additional weeks of meeting time in 1997 be requested from the General Assembly at its fiftieth session;

(e) Took note of the information provided by the Executive Secretary in response to decision 14/CP.1, paragraph 2, with respect to the allocation of the overhead charge on the Convention budget; and invited him to pursue to a satisfactory conclusion his discussions on this matter with the United Nations Department of Administration and Management on the

basis indicated by him and taking into account the additional administrative staffing needs resulting from the relocation of the Convention secretariat to Bonn;

(f) Requested the Executive Secretary to prepare proposals for consideration by the Bureau of the COP on ways to make more efficient use of meeting time, particularly with regard to the scheduling of meetings of the SBI and the SBSTA within the same sessional period;

(g) Requested the Executive Secretary to provide information on any financial implications of proposals in secretariat documents.

V. REPORT ON AND CLOSURE OF THE FIRST SESSION (Agenda item 4)

30. At its 2nd meeting, on 31 August, the SBI, in view of the brevity of the session, requested the Rapporteur, with the guidance of the Chairman and the assistance of the secretariat, to prepare the report of the session and to include therein the decisions and conclusions adopted at the session.

31. The Chairman, thanking all participants for their constructive cooperation, declared the first session of the SBI closed.

Annex

Decision 1/SBI.1

Programme of work

The Subsidiary Body for Implementation,

Recalling decision 6/CP.1 of the Conference of the Parties at its first session,

Having considered document FCCC/SBI/1995/2 prepared by the secretariat on the proposed programme of work,

Taking into account the views expressed by delegations,

1. *Adopts* the proposed programme of work;

2. *Requests* the secretariat to revise the scheduling of the programme of work in the light of the results of the first session of the Subsidiary Body for Scientific and Technological Advice;

3. *Decides* to review the programme of work at the session immediately prior to the second session of the Conference of the Parties.

Decision 2/SBI.1

Arrangements between the Conference of the Parties and the operating entity or entities of the financial mechanism

The Subsidiary Body for Implementation,

Recalling Article 11.3 of the United Nations Framework Convention on Climate Change,

Recalling also decision 10/CP.1 of the Conference of the Parties at its first session which requested the secretariat, in consultation with the secretariat of the Global Environment Facility and bearing in mind comments made at the seventh session of the Intergovernmental Negotiating Committee, to prepare draft arrangements for consideration by the Subsidiary Body for Implementation at its first session and adoption by the Conference of the Parties at its second session,

Having considered the draft Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility, prepared by the secretariat in consultation with the secretariat of the Global Environment Facility, and approved by the Council of the Global Environment Facility at its fifth session (FCCC/SBI/1995/3),

1. *Recommends* that the Conference of the Parties adopt the draft decision below and the draft Memorandum of Understanding annexed thereto, subject to the necessary editorial adjustments;

2. *Requests* the secretariats of the Convention and the Global Environment Facility to elaborate jointly the annex to the Memorandum of Understanding on procedures to facilitate the joint determination in a predictable and identifiable manner of the amount of funding necessary and available for the implementation of the Convention and the conditions under which that amount shall be periodically reviewed, as referred to in paragraph 9 of the Memorandum;

3. *Decides* to consider the above-mentioned annex after its adoption by the Council of the Global Environment Facility and prior to its adoption by the Conference of the Parties at its second session.

DRAFT DECISION OF THE CONFERENCE OF THE PARTIES

Arrangements between the Conference of the Parties and the operating entity or entities of the financial mechanism

The Conference of the Parties,

Recalling Article 11.3 of the United Nations Framework Convention on Climate Change,

Recalling also its decision 9/CP.1 on the maintenance of the interim arrangements referred to in Article 21, paragraph 3, of the Convention,

Having considered the recommendation of the Subsidiary Body for Implementation,

1. *Takes note* of section III (a), paragraph 5, of the addendum to the report of the Conference of the Parties at its first session which states that the Conference of the Parties should receive and review at each of its sessions a report from the Global Environment Facility;

2. *Adopts* the Memorandum of Understanding annexed to the present decision; */

3. *Authorizes* the Executive Secretary to enter into an arrangement, on its behalf, with the Chief Executive Officer of the Global Environment Facility on the basis of the text approved by the Conference of the Parties and report on the outcome to the Conference of the Parties.

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*/ See document FCCC/SBI/1995/3 and the annex to be developed and adopted as part of the Memorandum of Understanding.

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Corrigendum

Paragraph 24

At the end of the paragraph insert
At the same meeting, the SBI took note of the information contained in document FCCC/SBI/1995/3/Add.1 and requested the secretariat to make available at subsequent sessions information on relevant action taken by the Council of the GEF.

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